



## ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2009

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 46, in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councilors as disclosed in note 20 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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**Mr. D. Mashitisho**  
**Municipal Manager**

**31 AUGUST 2009**

**Date**

## **MOGALE CITY LOCAL MUNICIPALITY**

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## **GENERAL INFORMATION**

### **EXECUTIVE MAYOR:**

Clr. K.C. Seerane

### **SPEAKER:**

Clr. Mangole N.C. (Acting)

### **CHIEF WHIP**

Clr. S. Dube

### **MAYORAL COMMITTEE:**

Clr. F. Bhayat  
Clr. O. Caldeira  
Clr. S. Dube  
Clr. B. Friedman  
Clr. M. Khuzwayo  
Clr. M. Makola  
Clr. E. Mathe  
Clr. P. Moeketsi  
Clr. N. Ntamane

### **GRADING OF THE LOCAL MUNICIPALITY**

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### **AUDITORS:**

Auditor- General (Provincial)

### **BANKERS:**

First National Bank

### **REGISTERED OFFICE:**

Civic Centre  
Commissioner Street  
Krugersdorp  
1739

P O Box 94  
Krugersdorp  
1740

Telephone:  
(011) 951 - 2000

### **MUNICIPAL MANAGER:**

Mr. D. Mashitisho

### **CHIEF FINANCIAL OFFICER**

Mr. L. Mahuma



## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009

	Note	2009 R	2008 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		<b>5 183 697 260</b>	<b>132 035 329</b>
Government grant reserve		211 463 198	150 669 305
Revaluation reserve		4 813 979 695	-
Non distributable reserve		(3 185 391)	(8 501 248)
Accumulated surplus		161 439 758	(10 132 728)
<b>Non-current liabilities</b>		<b>259 712 270</b>	<b>249 201 024</b>
Borrowings	1	166 036 002	177 328 258
Provisions	2	93 676 268	71 872 766
<b>Current liabilities</b>		<b>303 940 449</b>	<b>307 154 890</b>
Borrowings	1	37 785 561	33 814 608
Consumer deposits	3	32 421 595	30 817 227
Creditors	4.1	132 906 684	134 503 776
Sundry deposits	4.2	6 088 045	5 467 023
Leave pay accrual	5	19 583 702	19 644 313
Unspent conditional grants and receipts	6	15 694 726	32 477 811
Value added taxation	7	59 460 136	50 430 132
<b>Total net assets and liabilities</b>		<b>5 747 349 979</b>	<b>688 391 243</b>
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>5 321 037 550</b>	<b>389 754 871</b>
Investments	8	39 326 607	31 287 638
Receivables	9	99 413	974 912
Investment property	10.1	22 122 894	-
Property, plant and equipment	10.2	5 256 411 359	355 439 261
Intangible assets	11	3 077 277	2 053 060
<b>Current assets</b>		<b>426 312 429</b>	<b>298 636 372</b>
Investments	8	20 847 023	54 048 267
Inventories	12	170 531 833	85 892 127
Consumer debtors	13	197 076 442	137 027 096
Other debtors	14	20 802 598	15 635 730
Cash and cash equivalents	15	17 054 533	6 033 152
<b>Total assets</b>		<b>5 747 349 979</b>	<b>688 391 243</b>



## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 R	2008 R
<b>REVENUE</b>			
Property rates	16	167 834 292	136 630 631
Property rates - penalties and collection charges		11 815 294	10 931 682
Service charges	17	553 493 899	451 786 275
Rental of facilities and equipment		3 730 479	3 571 588
Interest earned - external investments		15 169 682	3 865 552
Interest earned - outstanding debtors		16 920 126	40 045 093
Fines		12 657 321	17 227 534
Licenses and permits		14 129	10 302
Income for agency services		16 135 131	12 774 884
Government grants and subsidies	18	197 537 830	136 062 635
Other income	19.1	33 391 207	37 815 652
<b>Sub total revenue</b>		<b>1 028 699 390</b>	<b>850 721 828</b>
Less revenue foregone	19.2	7 679 566	-
<b>Total revenue</b>		<b>1 021 019 824</b>	<b>850 721 828</b>
<b>EXPENDITURE</b>			
Employee related costs	20	291 783 557	271 303 967
Remuneration of councilors	21	14 245 756	12 943 049
Contribution to provisions	13	37 657 743	98 829 891
Collection costs		2 111 214	987 294
Depreciation on property, plant and equipment	10	9 227 939	5 522 199
Amortisation of intangible assets	11	736 871	594 303
Repairs and maintenance		46 677 284	31 934 952
Interest paid	22	36 619 701	35 724 656
Bulk purchases	23	278 894 865	223 993 821
Contracted services		48 548 287	25 329 754
Grants and subsidies paid		4 588 636	6 949 582
General expenses	24	105 188 853	89 752 070
Internal charges / charge outs	20	(1 376 285)	(1 305 712)
<b>Total expenditure</b>		<b>874 904 421</b>	<b>802 559 826</b>
<b>SURPLUS FOR THE YEAR</b>		<b>146 115 403</b>	<b>48 162 002</b>

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>1 BORROWINGS</b>		
<b>1.1 Loans</b>		
Annuity loans	202 278 102	209 249 264
Finance lease	1 543 461	1 893 602
Sub-total	<u>203 821 563</u>	<u>211 142 866</u>
Less: short -term borrowings	37 785 561	33 814 608
Annuity loans	37 584 393	33 486 435
Finance lease	<u>201 168</u>	<u>328 173</u>
	<u><b>166 036 002</b></u>	<u><b>177 328 258</b></u>

Annuity loans: The annuity loans bear interest between 10% and 16.2% per annum and are repayable over a period between 1 years and 15 years. Investments amounting to R 56 862 692, have been ceded to DBSA.

Refer to Appendix A for more detail on borrowings.

**1.2 Finance leases**

	Minimum Lease Payment	Future Finance Charges	Present value of minimum lease payments
<b>2009</b>			
Amounts payable under finance leases			
Within one year	394 706	193 539	201 168
In the second to fifth year inclusive	733 171	943 734	(210 563)
After five years	5 476 967	3 924 111	1 552 856
	<u><b>6 604 845</b></u>	<u><b>5 061 384</b></u>	<u><b>1 543 461</b></u>
Less: Amount due for settlement within 12 months			(201 168)
			<u><b>1 342 293</b></u>

The average finance lease term is 30 years. Interest rates are fixed at the contract date. Some leases have fixed repayment terms and other escalate on a fixed rate and some fluctuate with the prime lending rate. No arrangements have been entered into for contingent rent.

	Minimum Lease Payment	Future Finance Charges	Present value of minimum lease payments
<b>2008</b>			
Amounts payable under finance leases			
Within one year	569 872	241 699	328 173
In the second to fifth year inclusive	5 262 551	3 697 122	1 565 429
After five years	-	-	-
	<u><b>5 832 423</b></u>	<u><b>3 938 821</b></u>	<u><b>1 893 602</b></u>
Less: Amount due for settlement within 12 months			(328 173)

The average finance lease term is 30 years. Interest rates are fixed at the contract date. Some leases have fixed repayment terms and other escalate on a fixed rate and some fluctuate with the prime lending rate. No arrangements have been entered into for contingent rent.

**2 PROVISIONS**

**2.1 Trust account: T. Madikane**

Balance at the beginning of the year	12 696	12 696
Contribution to provision	147 438	-
Balance at the end of the year	<u><b>160 134</b></u>	<u><b>12 696</b></u>

A trust account was established by the office of the executive mayor of MCLM, on behalf of the Madikane Family, for a two year old girl who is in need of a liver transplant.  
The Municipality has given a commitment to assist with the fund raising.

**2.2 Collateral guarantee insurance**

Balance at the beginning of the year	311 284	300 480
Contribution to provision	11 938	10 804
Balance at the end of the year	<u><b>323 222</b></u>	<u><b>311 284</b></u>

MCLM has housing guarantees with banks on behalf of MCLM employees. These employees contribute to this provision on a monthly basis, to cover MCLM of possible losses.

**2.3 Post retirement medical benefits**

Balance at the beginning of the year	71 548 786	-
Contribution to provision	1 951 985	71 548 786
Balance at the end of the year	<u><b>73 500 771</b></u>	<u><b>71 548 786</b></u>

**Opening Accrued Liability**

Current-service Cost	2 541 222	1 895 159
Interest Cost	7 596 120	4 800 380
Contributions (benefits paid)	(2 869 500)	(2 690 748)
Total Annual Expense	7 267 842	4 004 791
Actuarial Loss / (Gain)	(5 315 857)	8 501 248
<b>Closing Accrued Liability</b>	<u><b>73 500 771</b></u>	<u><b>71 548 786</b></u>

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
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The Municipality offers employees and continuation members the opportunity of belonging to one of several medical aid schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependants may continue membership of the scheme.

In-service members will, and continuation members do, receive a post-employment subsidy of 60% of the contribution payable, subject to a limit of R2,579.00 per month for 2008/2009.

<b>Category of Member</b>	<b>30/06/2009</b>
In-service members	32 764 000
Continuation members	40 736 771
All members	
Total liability	

<b>Unfunded liability</b>	<b>73 500 771</b>
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<b>Assumption</b>	<b>Value p.a.</b>	<b>Value p.a.</b>
Discount rate	10.83%	9.22%
Health care cost inflation rate	9.67%	7.58%
Net effective discount rate	1.06%	1.53%

**Sensitivity Analysis on the Accrued Liability (R Millions)**

<b>Assumption</b>	<b>Change</b>	<b>In-service</b>	<b>Continuation</b>	<b>Total</b>	<b>% change</b>
Central Assumptions		32.76	40.74	73.50	
Health care inflation	1%	39.65	44.86	84.51	15%
	-1%	27.31	37.18	64.49	-12%
Post-retirement mortality	-1 yr	33.83	42.28	76.10	4%
Average retirement age	-1 yr	35.78	40.74	76.52	4%
Withdrawal Rate	-50%	36.27	40.74	77.00	5%

**Sensitivity Analysis on the Current-service and Interest Costs for the year ending 30/06/2009**

<b>Assumption</b>	<b>Change</b>	<b>Current-service Cost</b>	<b>Interest Cost</b>	<b>Total</b>	<b>% change</b>
Central Assumptions		2 541 200	7 596 100	10 137 300	
Health care inflation	1%	3 131 700	8 780 200	11 911 900	18%
	-1%	2 083 300	6 628 700	8 712 000	-14%
Post-retirement mortality	-1 yr	2 624 800	7 878 600	10 503 400	4%
Average retirement age	-1 yr	2 799 600	7 889 800	10 689 400	5%
Withdrawal Rate	-50%	2 990 100	7 992 900	10 983 000	8%

**2.4 Landfill site rehabilitation**

Balance at the beginning of the year	-	-
Contribution to provision	19 692 141	-
Balance at the end of the year	<b>19 692 141</b>	<b>-</b>

Provision for rehabilitation represent the costs for Magaliesburg and Luipaardsvlei land fill site, the cost associated with closure after their useful economic life.

<b>Total provisions</b>	<b>93 676 268</b>	<b>71 872 766</b>
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**3 CONSUMER DEPOSITS**

Electricity and water	32 421 595	30 817 227
	<b>32 421 595</b>	<b>30 817 227</b>

Guarantees held in lieu of electricity and water consumer deposits was R7 267 406 (2009) and R6 908 860 (2008).

**4 CREDITORS**

**4.1 Creditors**

Trade creditors	92 447 487	62 857 548
Other creditors	871 375	2 552 461
SARS - value added taxation	126 479	25 486 529
Retentions	3 282 042	1 644 976
Current lease liability	115 990	94 128
Unallocated cash	-	481 229
Salary third party payments	1 731 403	1 251 244
Consumer debtors credit balances transferred to creditors ( note 13 )	21 272 687	27 157 454
Unpresented cheques	12 141 903	5 543 523
Receivables credit balances transferred to creditors ( note 9 )	-	23 223
Payments received in advance transferred from other debtors ( note 14 )	726 496	6 935 982
VAT refundable from SARS	-	-
Creditors paid in advance transferred from other debtors ( note 14 )	-	268 662
Inventory in transit ( note 12 )	190 822	206 817
Restatement of 2007-2008 balances (note 29.1)	<b>132 906 684</b>	<b>134 503 776</b>

**4.2 Sundry deposits**

Sundry deposits	6 088 045	5 467 023
	<b>6 088 045</b>	<b>5 467 023</b>

Sundry deposits consist of hall-, kerb-, builders water- and key deposits.

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>5 LEAVE PAY ACCRUAL</b>		
<b>Staff leave</b>		
Balance at the beginning of the year	19 644 313	23 613 040
Utilised during the year	(60 611)	(3 968 727)
Balance at the end of the year	<u>19 583 702</u>	<u>19 644 313</u>
An accrual for leave pay is recognised for leave due to employees at year end. The accrual for leave is calculated by multiplying the number of leave days due to each employee by a daily rate based on the total cost to company. The accrual is expected to realise within the following financial year when the employees request the leave to be paid out or is used.		
<b>6 UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>		
<b>Conditional grants from other spheres of government</b>	<b>15 694 726</b>	<b>32 477 811</b>
MIG grants	5 176 907	15 435 427
MSIG grants	78 770	-
Department of housing	2 295 011	4 183 930
SRAC	2 394 853	6 326 572
DWAF	-	1 412 282
DMEA	-	160 287
GDSD	-	1 470 994
DLG -Restructuring Grant	4 210 779	1 619 856
DLG- Water Targets	-	-
West Rand District Municipality grants	473 287	575 202
Bontle Ke Botho	470 609	440 407
Seta training grant	594 510	824 528
National department of sport	-	28 326
	<u>15 694 726</u>	<u>32 477 811</u>
Refer note 18 for reconciliation of grants from other spheres of government.		
<b>7 VALUE ADDED TAXATION</b>		
Value added taxation receivable	(9 713 893)	(8 637 041)
Value added taxation payable	69 174 029	59 067 173
	<u>59 460 136</u>	<u>50 430 132</u>
Value added taxation is payable on the receipts basis. Only once payment is received from debtors is value added		
<b>8 INVESTMENTS</b>		
<b>Non-current</b>		
Unlisted - fixed deposits	39 157 954	31 125 622
Listed - Sanlam	168 653	162 016
	<u>39 326 607</u>	<u>31 287 638</u>
<b>Current</b>		
Unlisted - fixed deposits	-	6 131 809
Call accounts	20 847 023	47 916 458
	<u>20 847 023</u>	<u>54 048 267</u>
Investments pledged with banking institutions were R 56 862 692 (2009) and R 46 969 220 (2008).		
<b>9 RECEIVABLES</b>		
Stand and housing loans	593 282	678 288
Sundry loans	6 290 998	6 521 015
Receivables credit balances transferred to creditors ( note 4.1 )	-	23 223
Receivables	6 884 280	7 222 466
Less: impairment of receivables	(6 784 867)	(6 247 554)
	<u>99 413</u>	<u>974 912</u>
<b>Stand and housing loans</b>		
Stand & housing loans are available to buyers of property within Mogale City. These loans are granted and repayable with interest in terms of Council's policy.		
<b>Sundry loans</b>		
Sundry loans consist of study loans for residents and ex employees of MCLM, loans to the Krugersdorp squash club to build a clubhouse, loans to Gasbeton for brickworks .		
The impairment of receivables consists of all long outstanding receivables outstanding for longer than 90 days.		
<b>10.1 INVESTMENT PROPERTIES</b>		
Revaluation (GRAP 17 implementation)	22 122 894	-
	<u>22 122 894</u>	<u>-</u>
Investment properties has been valued at depreciated replacement cost as at 30 June 2009 which equates fair value. These properties will be depreciated in the following year.		



**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>11 INTANGIBLE ASSETS</b>		
<b>Computer software</b>		
<b>Carrying value at the beginning of the year</b>	<b>2 053 060</b>	<b>2 449 573</b>
Cost	3 169 307	2 971 517
Accumulated amortisation	(1 116 247)	(521 944)
Capitalised during the year	1 761 088	-
Amortisation during the year	(736 871)	(594 303)
<b>Carrying value at the end of the year</b>	<b>3 077 277</b>	<b>2 053 060</b>
Cost	4 930 395	2 971 517
Transfer from fixed assets	-	197 790
Accumulated amortisation	(1 853 118)	(1 116 247)
<b>12 INVENTORIES</b>		
Saleable land held for sale	156 200 100	71 954 100
Consumable inventory	10 930 666	10 997 860
Sub stores inventory	3 495 567	2 869 543
Water inventory	63 459	30 775
Inventory in transit (note 4.1)	-	206 817
Less: impairment of obsolete inventory	(157 959)	(166 968)
	<b>170 531 833</b>	<b>85 892 127</b>
The following amounts were charged to the statement of financial performance: Stock count adjustment at year end R 227 207 - other inventory adjustment during the year R32 583 and obsolete stock write off R172 899.		
<b>13 CONSUMER DEBTORS</b>		
<b>30 June 2009</b>	<b>Gross balance</b>	<b>Impairment of consumer debtors</b>
	<b>R</b>	<b>R</b>
Rates	117 286 364	94 889 766
Electricity	53 740 069	15 086 098
Water	109 507 687	85 608 870
Sewerage	72 836 858	60 961 054
Refuse	128 342 633	115 194 724
Value added taxation	63 685 360	-
Interest & Other	77 541 951	75 396 655
Total	622 940 922	447 137 167
Consumer debtors credit balances transferred to creditors ( note 4.1 )	21 272 687	-
	<b>644 213 609</b>	<b>447 137 167</b>
<b>30 June 2008</b>	<b>Gross balance</b>	<b>Impairment of consumer debtors</b>
	<b>R</b>	<b>R</b>
Rates	117 430 883	79 797 848
Electricity	39 305 692	30 452 772
Water	97 141 096	92 690 976
Sewerage	66 804 274	64 353 814
Refuse	119 479 636	117 633 036
Value added taxation	54 982 233	-
Interest & Other	65 462 554	65 808 280
Total	560 606 368	450 736 726
Consumer debtors credit balances transferred to creditors ( note 4.1 )	27 157 454	-
	<b>587 763 822</b>	<b>450 736 726</b>
	<b>2009 R</b>	<b>2008 R</b>
<b>Rates: ageing</b>		
Current (0 – 30 days)	62 302 878	14 984 448
31 - 60 days	2 550 308	8 177 624
61 - 90 days	14 439 074	4 988 825
> 90 days	56 917 740	114 147 463
	<b>136 210 000</b>	<b>142 298 360</b>
<b>(Electricity, water, sewerage and refuse): ageing</b>		
Current (0 – 30 days)	67 672 246	36 636 669
31 - 60 days	16 491 724	18 974 813
61 - 90 days	21 130 175	7 069 306
> 90 days	260 794 112	261 281 566
	<b>366 088 257</b>	<b>323 962 354</b>
<b>Other services : ageing</b>		
Current (0 – 30 days)	18 452 457	12 024 516
31 - 60 days	6 294 913	3 832 230
61 - 90 days	11 528 292	3 039 676
> 90 days	105 639 690	102 573 971
	<b>141 915 352</b>	<b>121 470 393</b>
<b>Total</b>	<b>644 213 609</b>	<b>587 731 107</b>
<b>Reconciliation of the impairment of debtors</b>		
Balance at the beginning of the year	511 029 906	483 464 155
Originated during the year	37 718 352	98 106 436
Bad debt written off / reversals during the year	(32 639 324)	(70 540 685)
Balance at the end of the year	<b>516 108 934</b>	<b>511 029 906</b>
Impairment allocated as follows:		
Consumer debtors (note 13)	447 137 167	450 736 726
Other debtors (note14)	62 186 900	54 045 626
Receivables (note 9)	6 784 867	6 247 554
	<b>516 108 934</b>	<b>511 029 906</b>

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>14 OTHER DEBTORS</b>		
Payments received in advance transferred to creditors ( note 4.1 )	-	268 662
Value added taxation refundable from SARS	19 842 333	6 711 136
Sundry debtors	18 700 794	15 371 431
Personnel interim advances debtors	301 111	756 361
Insurance claims	78 361	-
Indigent parked amounts	22 741 894	23 046 314
Housing loans	13 008 495	13 482 511
Sundry loans	832 170	824 226
Current lease assets	123 284	1 347 731
Provincial health subsidies( note 18.2)	595 076	-
Bulk services	6 039 484	937 002
Payments received in advance transferred to creditors ( note 4.1 )	726 496	6 935 982
Less: impairment of other debtors	(62 186 900)	(54 045 626)
	<u>20 802 598</u>	<u>15 635 730</u>
<b>15 CASH AND CASH EQUIVALENTS</b>		
<b>The Municipality has the following bank accounts: -</b>		
<b>First National Bank - Corporate account services branch: account number 6204 524 3491</b>		
<b>Primary account</b>		
Cash book balance at the beginning of the year	(507 347)	(3 103 223)
Cash book balance at the end of the year	<u>191 782</u>	<u>(507 347)</u>
Bank statement balance at the beginning of the year	100 000	100 000
Bank statement balance at the end of the year	<u>100 000</u>	<u>100 000</u>
<b>First National Bank - Corporate account services branch: account number 6204 524 2469</b>		
<b>Direct deposit account</b>		
Cash book balance at the beginning of the year	(2 021 112)	(1 162 423)
Cash book balance at the end of the year	<u>(7 074 033)</u>	<u>(2 021 112)</u>
Bank statement balance at the beginning of the year	100 000	100 300
Bank statement balance at the end of the year	<u>100 000</u>	<u>100 000</u>
<b>First National Bank - Corporate account services branch: account number 6204 523 1074</b>		
<b>Expenditure account</b>		
Cash book balance at the beginning of the year	5 290 749	7 053 621
Cash book balance at the end of the year	10 554 514	(252 774)
Add back outstanding cheques included as creditors (note 4.1)	12 141 903	5 543 523
Adjusted cash book balance at the end of the year	<u>22 696 417</u>	<u>5 290 749</u>
Bank statement balance at the beginning of the year	5 728 529	12 756 632
Bank statement balance at the end of the year	<u>23 336 795</u>	<u>5 728 529</u>
<b>First National Bank - Corporate account services branch: account number 6208 172 0114</b>		
<b>Traffic fines account</b>		
Cash book balance at the beginning of the year	50 000	50 000
Cash book balance at the end of the year	<u>(355 321)</u>	<u>50 000</u>
Bank statement balance at the beginning of the year	50 000	50 000
Bank statement balance at the end of the year	<u>50 000</u>	<u>50 000</u>
<b>First National Bank - Corporate account services branch: account number 6208 171 8523</b>		
<b>Debt pack (debt collectors) account</b>		
Cash book balance at the beginning of the year	-	37 332
Cash book balance at the end of the year	<u>-</u>	<u>-</u>
Bank statement balance at the beginning of the year	-	50 000
Bank statement balance at the end of the year	<u>-</u>	<u>-</u>
<b>First National Bank - Corporate account services branch: account number 6208 171 9274</b>		

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>Ramathe Fivaz (debt collectors) account</b>		
Cash book balance at the beginning of the year	-	(17 176)
Cash book balance at the end of the year	-	-
Bank statement balance at the beginning of the year	-	-
Bank statement balance at the end of the year	-	-
<b>First National Bank - Corporate account services branch: account number 6209 288 6327</b>		
<b>Snyman &amp; Heymans (debt collectors) account</b>		
Cash book balance at the beginning of the year	-	32 848
Cash book balance at the end of the year	-	-
Bank statement balance at the beginning of the year	-	50 000
Bank statement balance at the end of the year	-	-
<b>First National Bank - Corporate account services branch: account number 6212 767 4358</b>		
<b>Grants account</b>		
Cash book balance at the beginning of the year	846 290	2 515 777
Cash book balance at the end of the year	1 398 305	846 290
Bank statement balance at the beginning of the year	846 290	2 515 777
Bank statement balance at the end of the year	1 402 955	846 290
<b>ABSA : account number 310 000 027</b>		
Cash book balance at the beginning of the year	-	(34 276)
Cash book balance at the end of the year	-	-
Bank statement balance at the beginning of the year	-	-
Bank statement balance at the end of the year	-	-
<b>First National Bank - Account number 6217 855 2454</b>		
<b>Trust account: T. Madikane</b>		
Cash book balance at the beginning of the year	12 697	-
Cash book balance at the end of the year	160 134	12 697
Bank statement balance at the beginning of the year	12 697	-
Bank statement balance at the end of the year	160 134	12 697
<b>Bank recon suspense account</b>	-	2 327 499
<b>Total all bank accounts</b>		
Cash book balance at the beginning of the year	5 998 776	10 067 465
Cashbook balance at the end of the year	17 017 284	5 998 776
Bank statement balance at the beginning of the year	6 837 516	13 106 932
Bank statement balance at the end of the year	25 149 884	6 837 516
<b>Cash and cash equivalents</b>		
Petty cash	37 249	34 376
Bank accounts	17 017 284	5 998 776
	<b>17 054 533</b>	<b>6 033 152</b>
<b>16 PROPERTY RATES</b>		
<b>Actual</b>		
<b>Assessment rates</b>		
Residential	94 675 962	62 719 221
Agricultural	13 139 097	8 795 907
Commercial	60 019 233	65 115 503
	<b>167 834 292</b>	<b>136 630 631</b>
<b>Valuations</b>		
<b>Property valuation</b>	<b>July 2009 R000's</b>	<b>June 2009 R000's</b>
Residential	25 027 209	699 758
Commercial	8 431 795	390 222
State	-	-
Municipal and other exempted	599 990	36 101
Other	3 146 067	799 542
	<b>37 205 061</b>	<b>1 925 623</b>
	<b>1 924 730</b>	
The new property rates act came into effect on 1 July 2009 . Assesment rates are levied in advance, R22 352 671 (June 2009) in respect of July 2009 and R12 269 797 (June 2008) in respect of July 2008. The impact of this act is disclosed below where the difference in the valuations from June 2009 of R1 925 623 compared to July 2009 R37 205 061.		
<b>17 SERVICE CHARGES</b>		
Sale of electricity	318 429 972	233 146 632
Refuse removal	50 952 942	48 028 605
Sewerage and sanitation charges	57 179 146	50 580 557
Sale of water	126 931 839	120 030 481
	<b>553 493 899</b>	<b>451 786 275</b>

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>18 GOVERNMENT GRANTS AND SUBSIDIES</b>		
Equitable share	106 974 956	81 597 848
Provincial health subsidies	6 111 721	7 293 428
MIG grants	51 729 520	34 614 842
Department of housing	1 888 920	-
Finance management grant	500 000	500 000
Municipal systems improvement grant	321 230	-
SRAC	5 869 354	2 493 317
DWAF	1 412 282	4 261 395
DMEA	160 287	804 607
GDSD	4 470 994	629 006
DLG Water Targets	13 375 220	-
DLG Restructuring	1 619 856	80 145
West Rand District Municipality	1 673 128	3 659 975
Bontle ke Botho	69 798	128 072
Seta training grants	1 360 564	-
National department of sport	-	-
	<b>197 537 830</b>	<b>136 062 635</b>
<b>18.1 Equitable share</b>		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy of R86 (assessment rates , refuse, sewer) , 50 kwh electricity and 6 kl of water which is funded from this grant.		
<b>18.2 Provincial health subsidies</b>		
Balance unspent at the beginning of the year	-	-
Current year receipts - included in public health vote	5 516 645	7 293 428
Conditions met - transferred to revenue	(6 111 721)	(7 293 428)
Transferred to debtors( note 14)	595 076	-
Conditions still to be met - transferred to liabilities (note 13)	-	-
The Municipality renders health services on behalf of the Provincial Government and is refunded the total expenditure incurred. This grant has been used exclusively to fund public health services.(included in the public health vote in Appendix D).		
<b>18.3 MIG grant</b>		
Balance unspent at the beginning of the year	15 435 427	2 988 843
Current year receipts	41 471 000	47 061 426
Conditions met - transferred to revenue	(51 729 520)	(30 635 806)
Adjustments to conditions met in 2007-2008 financial year	-	(3 979 036)
Conditions still to be met - transferred to liabilities ( note 6)	<b>5 176 907</b>	<b>15 435 427</b>
<b>18.4 Department of housing</b>		
Balance unspent at the beginning of the year	4 183 930	1 848 567
Adjustment	-	2 335 363
Conditions met - transferred to revenue	(1 888 920)	-
Conditions still to be met - transferred to liabilities ( note 6)	<b>2 295 010</b>	<b>4 183 930</b>
This grant is administrated on behalf of the Department of Housing for the erection of houses.		
<b>18.5 Finance management grant</b>		
Balance unspent at the beginning of the year	-	-
Current year receipts	500 000	500 000
Conditions met - transferred to revenue	(500 000)	(500 000)
Conditions still to be met - transferred to liabilities ( note 6)	-	-
The finance management grant is utilized in the internship programme for the payment of salaries and training of the finance interns as well as any payments in relation to financial administration.		
<b>18.6 Department of Sports, Arts, Culture and Recreation</b>		
Balance unspent at the beginning of the year	6 326 572	4 222 889
Current year receipts	3 240 000	4 597 000
Conditions met - transferred to revenue	(5 869 354)	(2 493 317)
Conditions met -VAT	(1 302 365)	-
Conditions still to be met - transferred to liabilities ( note 6)	<b>2 394 853</b>	<b>6 326 572</b>
<b>18.7 Department of Water of Affairs</b>		
Balance unspent at the beginning of the year	1 412 283	5 673 678
Conditions met - transferred to revenue	(1 412 283)	(4 261 395)
Conditions still to be met - transferred to liabilities ( note 6)	-	<b>1 412 283</b>
<b>18.8 Department of Minerals And Energy Affairs</b>		
Balance unspent at the beginning of the year	160 287	964 894
Current year receipts	-	-
Conditions met - transferred to revenue	(160 287)	(804 607)
Conditions still to be met - transferred to liabilities ( note 6)	-	<b>160 287</b>

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>18.9 Department of Social development</b>		
Balance unspent at the beginning of the year	1 470 994	-
Current year receipts	3 000 000	2 100 000
Conditions met - transferred to revenue	(4 470 994)	(629 006)
Conditions still to be met - transferred to liabilities ( note 6)	<u>-</u>	<u>1 470 994</u>
<b>18.10 Department of Local Government: Restructuring Grant</b>		
Balance unspent at the beginning of the year	1 619 855	-
Current year receipts	-	1 700 000
Conditions met - transferred to revenue	(1 619 855)	(80 145)
Conditions still to be met - transferred to liabilities ( note 6)	<u>-</u>	<u>1 619 855</u>
<b>18.11 Department of Local Government: Water Targets</b>		
Balance unspent at the beginning of the year	-	-
Current year receipts	17 586 000	-
Conditions met - transferred to revenue	(13 375 221)	-
Conditions still to be met - transferred to liabilities ( note 6)	<u>4 210 779</u>	<u>-</u>
<b>18.12 West Rand District Municipality</b>		
Balance unspent at the beginning of the year	575 202	1 145 017
Adjustments 2007-2008 conditions met	(122 913)	468 896
Current year receipts	1 694 126	2 621 264
Conditions met - transferred to revenue	(1 673 128)	(3 659 975)
Conditions still to be met - transferred to liabilities ( note 6)	<u>473 287</u>	<u>575 202</u>
WRDM funds various activities in the Municipality e.g. HIV/AIDS, primary health care, programmes for the youth,		
<b>18.13 Bontle Ke Botho</b>		
Balance unspent at the beginning of the year	440 407	148 478
Current year receipts	100 000	420 000
Conditions met - transferred to revenue	(69 798)	(128 071)
Conditions still to be met - transferred to liabilities ( note 6)	<u>470 609</u>	<u>440 407</u>
Bontle Ke Botho is prize money received for the greater Krugersdorp Town & various wards for environmental		
<b>18.14 Seta training grant</b>		
Balance unspent at the beginning of the year	824 528.0	-
Current year receipts	1 130 546.0	824 528
Conditions met - transferred to revenue	(1 360 564.0)	-
Conditions still to be met - transferred to liabilities ( note 6)	<u>594 510.0</u>	<u>824 528</u>
This grant is utilised for training and development of officials in the municipality.		
<b>18.15 National department of sport</b>		
Balance unspent at the beginning of the year	28 326	28 326
Adjustments to 2007-2008 conditions met	(28 326)	-
Conditions still to be met - transferred to liabilities ( note 6)	<u>-</u>	<u>28 326</u>
<b>18.16 Municipal systems improvement grant</b>		
Balance unspent at the beginning of the year	-	-
Current year receipts	400 000	-
Conditions met - transferred to revenue	(321 230)	-
Conditions still to be met - transferred to liabilities ( note 6)	<u>78 770</u>	<u>-</u>
<b>Total unspent grants (note 6)</b>	<u>15 694 726</u>	<u>32 477 811</u>
<b>Changes in levels of government grants</b>		
Based on allocation set out in the Division of Revenue Act (Act 1 of 2005), no significant changes in the level of		
<b>19 OTHER INCOME</b>		
<b>19.1 Other income</b>		
Administration fee	368 502	440 558
Advertising	771 332	1 480 768
Application fees	631 097	518 871
Building plan fees	1 594 092	3 329 133
Bulk service connections	12 479 924	8 801 089
Cemetery fees	1 397 897	1 493 039
Contributions roads, storm water and parks	2 257 148	1 903 681
Insurance claims	603 981	621 092
Medical aid contributions (pensioners)	1 216 655	759 474
New service connections	3 861 473	8 055 898
Other income	158 101	1 628 815
Sale of erven	4 146 929	5 184 515
Service connections	2 537 417	3 617 935
Unallocated cash	-	(19 216)
Unclaimed monies	1 358 659	-
Traffic donations received	8 000	-
	<u>33 391 207</u>	<u>37 815 652</u>
<b>19.2 Income foregone</b>		
Residential tariff rebate	6 352 007	-
Residential valuation rebate	1 218 365	-
Exemptions: religious	7 207	-
Exemptions: municipal	77 988	-
Exemptions: public service infrastructure	23 999	-
	<u>7 679 566</u>	<u>-</u>
Implementation of the property rates act has introduced rebates on the property levies which has resulted in income foregone.		

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>20 EMPLOYEE RELATED COSTS</b>		
Employee related costs - salaries and wages	189 891 863	174 139 595
Employee related costs - contributions for UIF, pensions and medical aids	44 508 171	40 645 052
Travel, motor car, accommodation, subsistence and other allowances	24 507 127	22 953 102
Housing benefits and allowances	2 751 808	2 366 010
Overtime payments	16 721 352	18 603 706
Bonus payments	13 403 236	12 596 502
	291 783 557	271 303 967
Less: Employee costs included in other expenses (internal charges / charge outs)	(1 376 285)	(1 305 712)
	<b>290 407 272</b>	<b>269 998 255</b>
<b>Remuneration of the Municipal manager</b>		
Annual remuneration	900 222	806 179
Car allowance	106 800	106 800
Contributions to UIF, medical and pension funds	68 943	32 590
	<b>1 075 965</b>	<b>945 569</b>
<b>Remuneration of the Chief finance officer</b>		
Annual remuneration	649 158	591 913
Performance bonuses	114 610	88 905
Car allowance	220 000	210 500
Contributions to UIF, medical and pension funds	87 422	39 492
	<b>1 071 190</b>	<b>930 810</b>
<b>Remuneration of Chief operating officer</b>		
Annual remuneration	833 281	551 014
Performance bonuses	179 225	-
Car allowance	72 000	60 000
Contributions to UIF, medical and pension funds	1 539	1 115
	<b>1 086 045</b>	<b>612 129</b>
<b>Remuneration of individual executive managers</b>		
Annual remuneration	3 413 090	3 219 352
Performance bonuses	409 320	370 115
Car allowance	834 500	971 376
Contributions to UIF, medical and pension funds	139 321	104 635
	<b>4 796 231</b>	<b>4 665 478</b>
<b>21 REMUNERATION OF COUNCILORS</b>		
Executive mayor	510 218	461 979
Speaker	399 606	361 791
Executive committee members	4 103 523	3 399 734
Councillors	7 844 628	7 408 687
Councillors' pension contribution	1 387 781	1 310 858
	<b>14 245 756</b>	<b>12 943 049</b>
<b>In-kind benefits</b>		
The Executive mayor, Deputy executive mayor, Speaker and Mayoral committee members are employed full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Executive mayor has use of a Council owned vehicle for official duties. The Executive mayor has two full-time bodyguards. Councillors are employed full time or part time.		
<b>22 INTEREST PAID</b>		
Borrowings	36 619 701	35 724 656
	<b>36 619 701</b>	<b>35 724 656</b>
<b>23 BULK PURCHASES</b>		
Electricity	188 387 646	140 345 004
Water	90 507 219	83 648 817
	<b>278 894 865</b>	<b>223 993 821</b>
During the year under consideration MCLM lost 36% and 7% of water and electricity purchased respectively.		

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>24 GENERAL EXPENSES</b>		
Bank charges	952 635	1 490 464
CGDC:Sewer contributions	1 986 917	1 380 876
Developers: roads and storm water	2 186 415	918 618
Electricity connections (recoverable)	932 193	4 325 563
Implementation of Property Rates Act	9 010 549	2 719 197
Insurance claims	248 666	1 324 313
Insurance premiums	1 490 641	3 064 578
Legal costs	3 367 831	3 788 772
License fees: computer,vehicles,other	1 013 515	1 418 272
Membership fees	1 274 024	1 034 646
Municipal charges: electricity,water,sanitation,refuse removal	7 610 053	4 899 697
Oil and fuel	8 722 140	8 990 141
Other expenses	10 124 866	9 664 312
Postage	1 954 129	1 551 522
Printing	1 109 193	1 295 547
Purchase and distribution of 240l bins	1 529 926	175 158
Purchases for consumption: electricity and water	2 673 799	2 194 497
Rental: equipment	4 626 459	2 540 116
Revenue improvement	4 397 877	-
Rental: office space	1 155 195	1 103 696
Rental: traffic speed cameras	5 248 410	6 940 456
Rental: trucks , water tanks and vacuum tankers	8 795 342	6 405 434
Service costs	2 541 222	1 143 467
Skills levy contributions	2 331 557	2 206 847
Special projects	7 122 582	4 930 885
Stationery	920 082	614 297
Stores and materials	1 302 424	1 639 955
Telephone,cellphone and faxes	8 967 572	9 251 723
Training	860 506	1 426 176
Water connections	732 133	1 312 845
	<b>105 188 853</b>	<b>89 752 070</b>
<b>25 CASH GENERATED FROM OPERATIONS</b>		
Surplus for the year	146 115 403	48 162 002
<b>Adjusted for:-</b>		
Depreciation on property, plant and equipment	9 227 939	5 522 199
Amortisation of intangible assets	736 871	594 303
Disposal of property, plant and equipment	362 547	194 009
Actuarial gain	5 315 857	(8 501 248)
Interest paid	36 619 701	35 724 656
Increase in impairment of debtors	37 718 352	98 106 436
Bad debts written off	(32 639 324)	(70 540 685)
Interest received	(15 169 682)	(3 865 552)
<b>Operating surplus before working capital changes:</b>	<b>188 287 664</b>	<b>105 396 120</b>
Increase in inventories	4 871 749	10 053 435
Increase in consumer debtors	(65 106 406)	(30 935 614)
Decrease in other debtors	(5 166 868)	23 218 223
Increase in conditional grants and receipts	(16 783 085)	12 592 248
Decrease in leave pay accrual	(60 611)	723 455
Decrease/(Increase) in creditors	(1 597 092)	6 136 694
(Decrease) / increase in value added taxation	9 030 004	(5 076 461)
<b>Cash generated from operations</b>	<b>113 475 355</b>	<b>122 108 100</b>
<b>26 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise of the following:		
<b>Cash and cash equivalents</b>	<b>17 054 533</b>	<b>6 033 152</b>
Bank accounts	17 017 284	5 998 776
Petty cash	37 249	34 376
<b>Investments</b>	<b>20 847 023</b>	<b>54 048 267</b>
Call accounts	20 847 023	47 916 458
Current - unlisted fixed deposit	-	6 131 809
<b>Total cash and cash equivalents</b>	<b>37 901 556</b>	<b>60 081 419</b>
<b>Cash and cash equivalents not available for use by the municipality</b>		
Grants	19 877 542	31 082 046
South African Revenue Services	-	7 084 123
Trust account: Madikane	160 134	12 696
DBSA loan	-	15 843 598
Basic water supply target	8 591 585	-
	<b>28 629 261</b>	<b>54 022 463</b>

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
The Municipality has undrawn borrowing facilities of R15 million with First National Bank(FNB) ,which is available		
<b>27 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>27.1 Contributions to organized local government</b>		
<b>Salga</b>		
Balance at the beginning of the year	328 686	-
Council subscriptions	1 095 760	999 632
Amount paid - current year	(1 424 446)	(670 946)
Balance at the end of the year (unpaid included in creditors)	<u>-</u>	<u>328 686</u>
<b>27.2 Audit fees</b>		
Balance at the beginning of the year	8 330	-
Current year audit fee	2 518 514	1 235 159
Amount paid - current year	(2 451 322)	(1 226 829)
Balance at the end of the year (unpaid included in creditors)	<u>75 522</u>	<u>8 330</u>
<b>27.3 Value added taxation</b>		
VAT input receivable and VAT output payable are shown in note 7. All VAT returns have been submitted		
<b>27.4 PAYE and UIF</b>		
Balance at the beginning of the year	3 521 287	2 300 845
Current year payroll deductions	39 030 010	44 591 043
Amount paid - current year	(36 112 804)	(36 767 927)
Amount paid - previous years	(3 521 287)	(6 602 674)
Balance at the end of the year (unpaid included in creditors)	<u>2 917 206</u>	<u>3 521 287</u>
<b>27.5 Pension and medical aid deductions</b>		
Balance at the beginning of the year	349 886	4 009 380
Current year payroll deductions and council contributions	68 759 240	58 919 447
Amount paid - current year	(69 107 820)	(62 578 941)
Balance at the end of the year (unpaid included in creditors)	<u>1 306</u>	<u>349 886</u>
<b>27.6 Councilor's arrear consumer accounts</b>		
The following Councilors had arrear accounts outstanding for more than 90 days at year end: -		
	<b>Total</b>	<b>Outstanding for less than 90 days</b>
<b>30th June 2009</b>	<b>R</b>	<b>R</b>
Cindi CC	1 129	570
Starkey PR	49 742	3 917
Thabe DS	1 797	1 679
Ntlatlane CN	2 065	1 735
Molele NV	2 731	246
	<u>57 464</u>	<u>8 147</u>
	<b>Total</b>	<b>Outstanding for less than 90 days</b>
<b>30th June 2008</b>	<b>R</b>	<b>R</b>
Lebesa SL	12 674	512
Oliphant SR	7 760	618
Thobela DC	1 959	1 502
Thabe DS	446	173
	<u>22 839</u>	<u>2 805</u>
<b>27.7 Related parties</b>		
Related party relationships exist between the municipality and the following parties:		
a) Mayor,		
b) Speaker,		
c) Councilors, and		
d) Municipal manager and Section 57 personnel (managers)		
<b>30 June 2009</b>	<b>Assesments rates</b>	<b>Service charges</b>
Councilors	265 515	350 158
Municipal manager and S57 personnel	59 290	46 132
	<u>324 805</u>	<u>396 290</u>
<b>30 June 2008</b>	<b>Assesments rates</b>	<b>Service charges</b>
Councilors	108 729	285 432
Municipal manager and S57 personnel	18 707	14 225
	<u>127 436</u>	<u>299 657</u>
Refer to note 20 and 21 for employee benefits of related parties.		



**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>28 CAPITAL COMMITMENTS</b>		
Commitments in respect of capital expenditure:		
<b>Approved and contracted for</b>	<b>12 630 775</b>	<b>25 061 142</b>
Infrastructure	7 570 861	17 384 394
Community	1 894 848	5 081 291
Heritage	980 365	580 366
Other	2 184 701	2 015 091
<b>Total</b>	<b>12 630 775</b>	<b>25 061 142</b>
<b>This expenditure will be financed from:</b>		
Revenue	1 714 873	-
Government grants	10 915 902	24 984 664
District council grants	-	76 478
	<b>12 630 775</b>	<b>25 061 142</b>
<b>29 CORRECTION OF ERRORS AND GRAP IMPLEMENTATION</b>		
During the current financial year, prior year errors were identified with regards to the following:-		
<b>29.1 Impact on financial position</b>		
The effect of the errors and GRAP standard implementation on the financial position is as		
<b>29.1.1 Creditors</b>		
<b>Sundry creditors</b>		
Accruals were raised in the 2007/2008 financial year and prior periods with respect to goods received and services rendered by some suppliers. Adjustments have been passed to restate some of the creditor balances and the effect of the adjustments are presented above.		
Implementation of Grap standard on operating lease for rental of buildings.		
<b>Creditors balance as previously reported</b>		135 052 941
Correction of error sundry creditors		(643 292)
Implementation of GRAP standard - operating leases		94 128
<b>Creditors balance restated ( note4)</b>		<b>134 503 777</b>
<b>29.1.2 Other debtors</b>		
<b>Sundry debtors</b>		
A sundry debtor was created for sale of land and the total purchased price restated.		
<b>Bulk service contributions</b>		
Debtor accounts created to issue statements to developers for bulk services.		
<b>Current lease assets</b>		
Implementation of GRAP accounting standards: operating lease assets raised for 2008		
<b>Other debtors balance as previously reported</b>		16 222 402
Correction of error sundry debtors		(2 871 404)
Correction of error bulk service contributions		937 002
Accounting for current lease assets		1 347 731
<b>Other debtors balance restated</b>		<b>15 635 731</b>
<b>29.1.3 Consumer debtors</b>		
<b>Consumer debtors balance as previously reported</b>		136 994 381
Corrections of error for consumer debtors		32 715
<b>Other debtors balance restated</b>		<b>137 027 096</b>
<b>29.1.4 Post retirement employee benefit</b>		
Implementation of GRAP standards and initial recognition of post retirement medical obligation.		
The effect of the errors to the financial position of the municipality is as follows:-		
<b>Post retirement as previously reported</b>		-
Implementation of GRAP standard (note 2.3)		59 042 747
<b>Post retirement balance restated</b>		<b>59 042 747</b>
<b>29.1.5 Contribution to provisions</b>		
Correction of long service leave and accumulated leave days.		
<b>Leave provision as previously reported</b>		14 952 131
Correction of error		4 692 182
<b>Leave provision balance restated</b>		<b>19 644 313</b>

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>29.1.6 Unspent conditional grants</b>		
MFMA Circular no 48 issued by National Treasury alerted Mogale City Local Municipality to the fact that the VAT incurred on grant funded projects is also chargeable against the grant. The National Treasury's position is that municipalities must treat the 'reclaimed VAT' as 'own revenue'. The practice has always been that Mogale City would recognize into income the amount incurred excluding VAT on projects as condition met on grant funds. The effect of this has always been that a balance would remain on the unspent grant balance which represents the input VAT not recognized into income. We have recalculated the unspent grant balances for all those grants which still had a balance at 30 June 2009 and have accordingly recognized into income the VAT content of the remaining balance for 2008/2009 and prior periods.		
<b>Unspent conditional grants as previously reported</b>		36 531 758
Correction of VAT		(4 053 946)
<b>Unspent conditional grants balance restated</b>		<u><u>32 477 812</u></u>
<b>29.1.7 Property, plant and equipment</b>		
<b>Asset verification</b>		
Asset upload in 2007/2008 assets were duplicated and written back.		
Implementation of GRAP standard :lease liabilities		
Correction of disclosure. Autocad software disclosed as computer equipment instead of an intangible asset.		
<b>Property, plant and equipment balance as previously reported</b>		1 303 913 934
Correction of error		(25 251)
Implementation of GRAP standard - finance leases		1 480 051
Correction of disclosure intangible assets		(197 790)
<b>Property, plant and equipment balance restated</b>		<u><u>1 305 170 944</u></u>
<b>Asset depreciation</b>		
Asset upload in 2007/2008 assets were duplicated and depreciation written back.		
Implementation of GRAP standard :lease liabilities		
<b>Property, plant and equipment balance as previously reported</b>		949 149 394
Implementation of GRAP standard - finance leases		273 244
<b>Property, plant and equipment balance restated</b>		<u><u>949 422 638</u></u>
<b>29.1.8 Lease Liabilities</b>		
Implementation of GRAP standard :lease liabilities		
<b>Lease Liabilities previously reported</b>		-
Implementation of GRAP standard - operating leases (see note 29.1.1 and 29.1.2)		1 441 590
<b>Lease Liability implementation figure</b>		<u><u>1 441 590</u></u>
<b>29.1.9 Inventory</b>		
<b>Water stock</b>		
Implementation of GRAP standard to disclose its water inventory.		
<b>Inventory balance as previously reported</b>		85 861 352
Implementation of GRAP standard - inventory (note 12)		30 775
<b>Inventory balance restated</b>		<u><u>85 892 127</u></u>
<b>29.1.10 Value added taxation</b>		
The VAT amount for the periods commencing June 2007 to March 2009 has been restated. The reason for this is that SARS indicated their intention to audit the Municipality prior to releasing the VAT refunds. We then performed an extensive reconciliation of our VAT figures for the above indicated periods for presentation to SARS. With SARS's agreement we then adjusted and restated some of the VAT claims and VAT payments from month to month, however the end result was SARS owing Mogale City approximately R18m which is what we had as a debtor in our records.		
<b>Value added taxation as previously reported</b>		53 606 654
Correction of error - VAT debtor		(3 176 522)
<b>Value added taxation balance restated</b>		<u><u>50 430 132</u></u>
<b>29.1.11 Intangible assets</b>		
Correction of disclosure. Autocad software disclosed as computer equipment instead of an intangible asset.		
<b>Intangible assets as previously reported</b>		2 971 517
Correction of error (note 11)		197 790
<b>Intangible assets restated</b>		<u><u>3 169 307</u></u>
<b>29.2 Impact on statement of changes in net assets</b>		
The impact of the errors on the statement of changes in net assets of the above is as follows:		
<b>Opening accumulated deficit</b>		

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>Impact on statement of changes in net assets</b>		
The impact of the errors on the statement of changes in net assets of the above is as follows:		
<b>Opening accumulated deficit</b>		
<b>Accumulated deficit balance at 01 July 2007 as previously reported</b>		<b>33 845 535</b>
Correction of errors		2 131 428
Correction of error value added taxation (note 29.1.1)		8 201 426
Correction of error sundry creditors (note 29.1.1)		(9 464 938)
Correction of error other debtors (note 29.1.2)		689
Correction of error saleable land (note 29.1.5)		2 412 100
Correction of operating lease payments		378 561
Correction of finance lease payments		(444 057)
Correction of depreciation		(309 044)
Other corrections (prior year)		1 356 691
<b>Accumulated deficit balance at 01 July 2008 restated</b>		<b>35 976 963</b>
<b>29.3 Impact on statement of financial performance</b>		
The impact of the errors on the statement of financial performance of the above is as follows:		
<b>Surplus for the year 30 June 2008 as previously reported</b>	<b>(10 132 728)</b>	<b>48 507 519</b>
<b>Correction of errors for 2007 as above</b>		<b>2 131 428</b>
<b>Correction of errors and grap implementation</b>	<b>86 250 976</b>	<b>(60 771 675)</b>
Annual Expense for post retirement costs	-	(4 004 791)
Assets - GRAP Implementation (Refer 29.3.1)	17 551 392	-
Contribution to leave provisions (note 29.1.5)	-	(4 692 182)
Depreciation on property, plant and equipment (note 29.1.7)	-	-
Depreciation on finance leases and other (note 29.1.7)	-	(273 244)
Finance lease asset	-	1 253 603
Finance lease liability	-	(1 441 590)
Grants correction ( Note 29.1.6)	1 453 603	4 053 946
Housing loans (Refer Note 29.3.2)	(331 902)	-
Income(note 29.3.3)	155 660	-
Inventory (note 29.3.4)	84 246 000	30 775
Provision - GRAP Implementation (note 29.3.4)	(19 692 141)	-
Fixed assets - finance lease and other	-	1 429 551
Reduction in creditors(note 29.1.1)	271 190	643 293
Sundry debtors and consumer deposits (Refer Note 29.3.2)	(1 529 807)	(1 934 402)
Post- retirement medical provision	-	(59 042 747)
Sundry loans(29.3.2)	(722 785)	-
VAT restatement (Refer Note 29.1.6)	4 849 766	3 176 522
Other	-	(3 123)
Consumer debtors	-	32 714
<b>Surplus for the year 30 June 2008 restated</b>	<b>76 118 248</b>	<b>(10 132 728)</b>
<b>Surplus for the year 30 June 2008 as previously reported</b>		
Movements from prior years		<b>48 818 033</b>
Correction of error revenue		(656 031)
Correction of error expenditure		7 778 491
		(8 434 522)
		<b>48 162 002</b>
Correction of error GRAP and implementation		(60 771 675)
Movement of prior year		656 031
Correction of error previously reported - AFS June 2008		(1 089 548)
		<b>(61 205 192)</b>
<b>29.3.1 Assets - GRAP Implementation</b>		
The value of above (GRAP) increased by R694 158 as a result of additional assets discovered during assets verification. A further increase of R16,857,234 as result of review of the economic life of some of the assets with the value exceeding R5,000.The condition of the assets concerned was used to revise the economic life		
<b>29.3.2 Conversion errors (Accounting software)</b>		
Conversion errors from system changeover.		
Housing loans, sundry debtors, sundry loans and consumer deposits adjusted in the current year where as a result of the implementation of the new financial system at Mogale City. Interest on sundry loans, debtors and housing loans previously charged was reversed to correct errors from Venus system		
<b>29.3.3 Income</b>		
Correction of income previously allocated to a wrong financial year		

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>29.3.4 GRAP Implementation</b>		
This include provision for rehabilitation of landfill sites R19,692,141 and Saleable land inventory of R84,246,000		

**30 CHANGE IN ACCOUNTING POLICY**

The accounting policies adopted are consistent with those of previous financial year except that the municipality has changed the measurement basis used for land and buildings from fair value in the previous financial year to cost in the current financial year.

**31 RETIREMENT BENEFIT INFORMATION**

Municipal gratuity fund	9 844 782	8 407 362
Municipal employees pension fund	514 227	434 209
Joint municipal pension fund	45 856	42 170
National fund for municipal workers	21 853 158	19 718 907
Meshawu pension fund	9 730 660	8 702 590
SAMWU pension fund	1 950 445	1 440 511
Sala pension fund	219 720	207 772
Municipal councillors pension fund	1 840 104	2 422 686
	<b>45 998 952</b>	<b>41 376 207</b>

All Councilors and employees belong to retirement funds. Council's contribution is 22%, except the SALA pension fund where Council contributes 20.78%.

**32 CONTINGENT LIABILITIES**

Stannic loans: guarantees	-	118 594
Housing loans: guarantees	333 420	356 740
Outstanding salary claims against Council	-	10 820 000
Outstanding legal matters	16 383 789	5 885 911
	<b>16 717 209</b>	<b>17 181 245</b>

**Outstanding legal matters**

**David Temple Nourse**

The plaintiff instituted a civil case against Mogale City Local Municipality in the Pretoria High Court. The plaintiff wants the Municipality to cancel the contract he signed with Red Coral Investments. The Municipality has made the land available in terms of the land availability programme in 2002/02/07 to Reliance Investment Group (Pty) Ltd who later ceded the land to Red Coral Investments. Now Red Coral investment demand the municipality must pay them R290,000.00 and cancel the contract between them and Reliance Investments (PTY) LTD.

**Chamdor Meat Packers**

The Municipality has instructed messrs Smith van der Watt to defend the matter against Chamdor Meat Packers. The account statement issued to Chamdor Meat Packers was intercepted and fake letterheads were used to inform Chamdor Meat Packers that the Municipality has changed its bank account. The plaintiff deposited the money into the incorrect bank account held with FNB. As result of defaulting the account, the municipality terminated the services of Chamdor Meat Packers who are now claiming damages for spoiled products. A criminal case of fraud has been opened. The matter is still pending in the High Court and pleadings have already been filed by the attorneys. Amount claimed R360 000.

**A E van Tonder**

The account of the plaintiff does not reflect in Mogale City Local Municipality meter reading system. The plaintiff alleges to have bought water from Spar however he cannot access the purchased. On the day of court sitting he produced a receipt with invisible figure and was instructed to bring a visible receipts. The case was redemanded until 7 September 2009. Amount claimed R3 600.

**Charles Deetlefs**

The plaintiff has instituted a civil action against Mogale City Local Municipality in the Krugersdorp Magistrate Court for ungraded and unrehabilitated road. The plaintiff alleges that his motor vehicle's engine was damaged as a result of the road that was not properly maintained by the Municipality. The Municipality has instructed Messrs Sepamla Mosalakae Attorneys to defend the matter. Amount claimed R20 000.

**Gunter Hauteur**

The plaintiff is suing Mogale City Local Municipality for damages incurred of the following:- a) Flight ticket from Thailand to South Africa, b) Damages of the contents of the refrigerator as a result of power cutting. The plaintiff went to German and Thailand for business matters. His property was rented to Mr van Niekerk who later opened an account for electricity and water with the municipality, while Mr. G Hauteur was abroad on business. Mr. Van Niekerk called him to complain about terminated services, as a result Mr G Hauteur is claiming for his urgent travelling cost. The Municipality has instructed Messrs Sepamla Mosalakae Attorneys to defend the matter. Amount claimed R25 691.

**Cidonio Lourenco/Percy Stewart**

The municipality has received a letter of demand from C Lourenco. The claim is based on the allegation of water pollution caused by the municipality from Percy Stewart water care works which killed cows and goats of the claimant. The sub section is investigating this claim and has requested further particulars from the complainant. Amount claimed: R20 000.

**Chabano constructions**

The applicant entered into an agreement with the municipality for supply and delivery of building materials. The municipality cancelled the agreement on the grounds of non performance on behalf of the applicant. The applicant has instituted an action for damages suffered as result of cancellation. The matter is still pending in the High Court. Amount claimed: R1 167 770.

**Special occasions**

The plaintiff is an event organizer and is suing the municipality for cancellation of an agreement, in that the municipality contracted with them to organize an event in the Mayoral office and that the municipality failed to give a proper notice before terminating the agreement. The applicant claims that as result of termination of the agreement by the Municipality they suffered damages. The matter was set down for interlocutory application to comply. The main case is still pending. Amount claimed: R72 000.

**Pumeza Moila**

The applicant was employed by the municipality on a fixed term contract, on expiry of the municipality opted not to extend. The applicant referred the matter to CCMA for constructive dismissal and was awarded compensation for unfair dismissal. The municipality has now filed notices to rescind the arbitration award. The matter is still pending at the bargaining council. Amount claimed: R150 000.

**MOGALE CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**2009**  
R

**2008**  
R

**Moteo group**

The applicant was contracted by the municipality to construct low cost housing for the municipality. The agreement was cancelled by the municipality after the withdrawal of funding by the Department of Housing. The applicant is suing the municipality for damages suffered as a result of the cancellation of the contract. The municipality has instructed attorneys to defend this matter. The attorneys has lodged an application to join the Department of Housing as a necessary party. The matter is still pending in the High Court. Amount claimed: R3 200 000.

**Ms J Hubner**

The complainant has written a letter of demand for the alleged unlawfully termination of electricity supply. The complainant alleges that he suffered damages as result of termination of electricity by the municipality. Amount claimed: R12 328.

**Mathe Construction**

The applicant was contracted by the municipality to construct low cost housing. The agreement was cancelled by the municipality after withdrawal of funding by the Department of Housing. The applicant is suing the municipality for damages suffered as a result of the cancellation of the contract. The municipality has instructed attorneys to defend this matter. The appointed attorneys have lodged an application to join the Department of Housing as a necessary party. The matter is still pending in the high court. Amount claimed R11 000 000

**33 Contingent liabilities (Bank Guarantees)**

Eskom : Kagiso Portion 96	140 000	140 000
Eskom : Kagiso Portion 39	21 800	21 800
South African Post Office Limited	130 000	130 000
	<u>291 800</u>	<u>291 800</u>

**34 COMPARISON WITH THE BUDGET**

The comparison of the municipality's actual financial performance with that budgeted is set out in appendix E(1) and E(2).

**35 RISK MANAGEMENT**

**Liquidity risk**

The municipality's risk to liquidity is as a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

**Interest rate risk**

During the year under consideration the long term debt attracting interest made approximately 20% of cash received and interest paid only made up approximately 3,6% of total cash receipts from operating activities, meaning that Mogale city was in good position to pay interest and debt henceforth.

**Credit risk**

Debt repayment 2008/09 only made up approximately 3.3% of cash receipt from operating activities, meaning that MCLM is in position to pay its long term debts henceforth.

Consumer debtors comprise of widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis.

**36 LEASES**

**Operating leases - as lessee**

**Leasing arrangements**

At the reporting date the municipality had outstanding commitments under non cancellable operating leases which fall due as follows:

**Office and other equipment**

Within one year	7 532 186	10 779 955
In the second to fifth year inclusive	613 356	8 145 541
After five years	-	-
Total	<u>8 145 542</u>	<u>18 925 496</u>

Reported under General Expense (note 24) and the statement of financial performance are expenses incurred with respect to operating lease arrangements as follows:

Total operating lease expenses - as lessee	<u>12 026 264</u>	<u>11 739 110</u>
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**The municipality has operating lease agreements for the following classes of assets:**

Office equipment and other equipment, vehicles and property.

There is no contingent rental payable on any of the above lease agreements.

Escalation is provided for in terms of the individual leasing arrangements and has been considered in the above future minimum lease payments.

No restrictions have been imposed on the municipality in terms of the operating lease agreements.

**37 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

There was no incident reported of unauthorised, irregular, fruitless and wasteful expenditure for the 2008/2009 financial period.

**38 DEVIATIONS FROM PROCUREMENT PROCESSES**

Deviations from official procurement processes to the value of R1 559 026 are included as Annexure 1 to the financial statements.

MOGALE CITY LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2009  
R

2008  
R

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STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009						
	Note	Revaluation reserve	Non distributable reserve	Government grant reserve	Accumulated (deficit)/surplus	Total
				R	R	R
<b>2008</b>						
Balance at 30 June 2007 ( restated)		-	-	117 602 804	33 845 535	151 448 339
Corrections for 2007	29.2	-	-	-	2 131 428	2 131 428
Balance at 30 June 2007 ( restated)		-	-	117 602 804	35 976 963	153 579 767
Actuarial loss	2.3	-	(8 501 248)	-	-	(8 501 248)
Surplus for the year previously reported		-	-	-	48 818 033	48 818 033
Correction to prior year surplus	29.3	-	-	-	(656 031)	(656 031)
Surplus for the year restated		-	(8 501 248)	-	48 162 002	39 660 754
Capital grants used to purchase property, plant and equipment		-	-	34 312 298	(34 312 298)	-
Offsetting of depreciation on property, plant and equipment		-	-	(1 245 797)	1 245 797	-
Correction of errors	29.3	-	-	-	(61 205 192)	(61 205 192)
Balance at 30 June 2008 (restated)		-	(8 501 248)	150 669 305	(10 132 728)	132 035 329
<b>2009</b>						
Correction of error GRAP Implementation - infrastructure assets	10.1	4 813 979 695	-	-	-	4 813 979 695
Correcion of error previous financial periods	29.3	-	-	-	86 250 976	86 250 976
Surplus for the year		-	-	-	146 115 403	146 115 403
Capital grants used to purchase property, plant and equipment		-	-	64 254 476	(64 254 476)	-
Offsetting of depreciation on property, plant and equipment		-	-	(3 460 583)	3 460 583	-
Actuarial gain	2.3	-	5 315 857	-	-	5 315 857
Balance at 30 June 2009		4 813 979 695	(3 185 391)	211 463 198	161 439 758	5 183 697 260



### CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 R	2008 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers and government		1 026 673 461	789 334 446
Cash paid to suppliers and employees		(913 198 106)	(667 226 346)
Cash generated from operations	25	113 475 355	122 108 100
Interest received		15 169 682	3 865 552
Interest paid	22	(36 619 701)	(35 724 656)
		<b>92 025 336</b>	<b>90 248 996</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	10	(101 154 390)	(53 877 849)
Decrease in non-current receivables		875 500	6 855 454
(Increase)/decrease in non-current investments	9	(8 038 969)	3 890 840
Increase non current provisions		(148 437)	(132 437)
		<b>(108 466 296)</b>	<b>(43 263 992)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Borrowings repaid	1	(7 321 303)	(36 488 494)
Increase in consumer deposits	3	1 604 368	2 476 822
		<b>(5 716 935)</b>	<b>(34 011 672)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		<b>(22 157 895)</b>	<b>12 973 332</b>
Cash and cash equivalents at the beginning of the year	26	<b>60 081 419</b>	<b>47 108 087</b>
Cash and cash equivalents at the end of the year	26	<b>37 901 556</b>	<b>60 081 419</b>
		<b>(22 179 863)</b>	<b>12 973 332</b>



PROPERTY, PLANT & EQUIPMENT

10.2 Property plant and equipment

30 June 2009 Reconciliation of carrying value	Land and buildings R	Infra- structure R	Community R	Heritage R	Other R	Total R
<b>Carrying value at 1 July 2008</b>	<b>41 643 608</b>	<b>103 087 668</b>	<b>182 444 288</b>	<b>13 098</b>	<b>28 250 599</b>	<b>355 439 261</b>
Cost	41 643 608	964 618 801	196 218 600	13 098	102 676 837	1 305 170 944
Accumulated depreciation	-	(861 531 133)	(13 774 312)	-	(74 426 238)	(949 731 683)
Acquisitions	7 050 000	80 415 912	9 502 449	-	4 186 029	101 154 390
Depreciation	-	(5 733 829)	(29 375)	-	(3 464 735)	(9 227 939)
Corrections and transfers and revaluations - cost	320 768 616	6 175 451 128	392 210 048	(3 498)	693 293	6 889 119 587
Corrections and transfers and revaluations - depreciation	(222 541 674)	(1 559 184 098)	(314 842 855)	-	16 857 234	(2 079 711 393)
Carrying value of disposals	-	-	-	-	(362 547)	(362 547)
Cost	-	-	-	-	(3 937 804)	(3 937 804)
Accumulated depreciation	(222 541 674)	-	-	-	3 575 257	(218 966 417)
<b>Carrying value at 30 June 2009</b>	<b>146 920 550</b>	<b>4 794 036 781</b>	<b>269 284 555</b>	<b>9 600</b>	<b>46 159 873</b>	<b>5 256 411 359</b>
Cost	369 462 224	7 220 485 841	597 931 097	9 600	103 618 355	8 291 507 117
Accumulated depreciation	(222 541 674)	(2 426 449 060)	(328 646 542)	-	(57 458 482)	(3 035 095 758)

30 June 2008 Reconciliation of carrying value	Land and buildings R	Infra- structure R	Community R	Heritage R	Other R	Total R
<b>Carrying value at 1 July 2007</b>	<b>40 068 010</b>	<b>69 443 274</b>	<b>170 826 059</b>	<b>47 250</b>	<b>25 945 064</b>	<b>306 329 657</b>
Cost	40 068 010	928 810 174	184 567 892	47 250	102 441 738	1 255 935 064
Accumulated depreciation	-	(859 366 900)	(13 741 833)	-	(76 496 674)	(949 605 407)
Correction of error depreciation	-	-	-	-	(309 045)	(309 045)
Acquisitions	1 575 598	35 808 627	11 650 708	-	4 842 916	53 877 849
Depreciation	-	(2 164 233)	(32 479)	-	(3 052 243)	(5 248 955)
Carrying value of disposals	-	-	-	(34 152)	(159 859)	(194 011)
Cost	-	-	-	(34 152)	(5 864 827)	(5 898 979)
Accumulated depreciation	-	-	-	-	5 704 968	5 704 968
<b>Carrying value at 30 June 2008</b>	<b>41 643 608</b>	<b>103 087 668</b>	<b>182 444 288</b>	<b>13 098</b>	<b>28 250 599</b>	<b>355 439 261</b>
Cost	41 643 608	964 618 801	196 218 600	13 098	101 419 827	1 303 913 934
Correction of error - cost (note 29.1.7)	-	-	-	-	1 257 010	1 257 010
Correction of error - depreciation (note 29.1.7)	-	-	-	-	(273 244)	(273 244)
Accumulated depreciation	-	(861 531 133)	(13 774 312)	-	(74 152 994)	(949 458 439)
<b>Carrying value of assets</b>	<b>41 643 608</b>	<b>103 087 668</b>	<b>182 444 288</b>	<b>13 098</b>	<b>28 250 599</b>	<b>355 439 261</b>

Refer to Appendix B and Appendix C for more detail on property, plant and equipment, including those in the course of construction

The economic life of some of the assets with the value over R5,000.00 was reviewed and extended based on the conditions of the relevant assets.

**MOGALE CITY LOCAL MUNICIPALITY**

**APPENDIX A**

**SCHEDULE OF EXTERNAL BORROWINGS AS AT 30 JUNE 2009**

<b>EXTERNAL BORROWINGS</b>	<b>Loan Number</b>	<b>Redeemable</b>	<b>Balance at 30 June 2008</b>	<b>Received during the year</b>	<b>Redeemed written off during the year</b>	<b>Balance at 30 June 2009</b>
<b>LONG-TERM BORROWINGS</b>			<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>ANNUITY LOANS</b>						
<b>DBSA</b>						
13.20%	L99975/1	2010/03/31	24 311 542	5 329 035	16 708 947	12 931 630
15%	L10935/102	2018/08/31	32 977 943	-	-	32 977 943
15%	L10935/1202	2018/08/31	1 244 877	-	-	1 244 877
15%	L10935/1203	2018/08/31	229 632	-	-	229 632
15%	L10935/1302	2018/08/31	5 268 941	-	-	5 268 941
15%	L10935/1401	2018/08/31	9 336 575	-	-	9 336 575
15%	L10935/1501	2018/08/31	1 914 553	-	-	1 914 553
15%	L10935/2001	2018/08/31	3 112 191	-	-	3 112 191
15%	L10935/203	2018/08/31	1 773 949	-	-	1 773 949
15%	L10935/2102	2018/08/31	4 045 849	-	-	4 045 849
15%	L10935/2302	2018/08/31	4 253 329	-	-	4 253 329
15%	L10935/2501	2018/08/31	4 149 589	-	-	4 149 589
15%	L10935/2601	2018/08/31	311 220	-	-	311 220
15%	L10935/2701	2018/08/31	308 512	-	-	308 512
15%	L10935/502	2018/08/31	3 956 186	-	-	3 956 186
15%	L10935/602	2022/03/31	10 471 608	-	-	10 471 608
15%	L10935/802	2018/08/31	1 224 425	-	-	1 224 425
15%	L10935/901	2024/03/31	2 966 126	-	-	2 966 126
16.20%	L12164/01	2010/12/31	17 844 958		6 317 824	11 527 134
10.05%	L12238/101	2006/12/31	-	-	-	-
13.56%	L12607/101	2014/06/30	1 959 410	-	229 567	1 729 843
	L103217(1)	2018/10/01		24 004 010	1 062 846	22 941 164
	L103217(2)	2018/10/01		6 000 000	315 483	5 684 517
<b>ABSA</b>						
12.74%	L3022143601	2010/03/31	23 637 156	-	12 862 760	10 774 396
<b>INCA</b>						
11.67%	LMOGA0001	2016/05/31	53 950 693	-	4 828 748	49 121 945
<b>TOTAL EXTERNAL BORROWINGS</b>			<b>209 249 264</b>	<b>35 333 045</b>	<b>42 326 175</b>	<b>202 256 134</b>



**APPENDIX B**  
**ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2009**

	Cost						Accumulated depreciation						Carrying value	Budget additions 2009
	Opening balance	Additions	Transfers & corrections	Revaluation	Disposals	Closing balance	Opening balance	Depreciation	Transfers & corrections	Depreciation Revaluations	Disposals	Closing balance		
<b>Buildings</b>														
Land & buildings	14 125 006	7 050 000	-	-	-	21 175 006	-	-	-	-	-	-	21 175 006	10 500 000
Housing Schemes	27 518 602	-	-	320 768 616	-	348 287 218	-	-	-	222 541 674	-	222 541 674	125 745 544	
	<b>41 643 608</b>	<b>7 050 000</b>	<b>-</b>	<b>320 768 616</b>	<b>-</b>	<b>369 462 224</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222 541 674</b>	<b>-</b>	<b>222 541 674</b>	<b>146 920 550</b>	<b>10 500 000</b>
<b>Infrastructure</b>														
Airports	41 361	-	-	(41 361)	-	0	41 360	-	-	(41 360)	-	-	-	-
Electricity mains	220 077 764	5 182 256	-	2 046 658 937	-	2 271 918 957	190 013 843	1 246 283	-	940 092 081	-	1 131 352 207	1 140 566 750	14 011 282
Electricity peak control equipment	1 797 432	-	-	-	-	1 797 432	1 690 470	6 057	-	-	-	1 696 527	100 905	1 000 000
Infrastructure assets GRAP 17	-	-	-	-	-	0	-	-	-	-	-	-	-	-
Pedestrian facilities	4 976 855	-	-	-	-	4 976 855	4 976 852	-	-	(4 976 852)	-	-	4 976 855	-
Reservoirs water	-	-	-	-	-	0	-	-	-	-	-	-	-	16 543 077
Roads	340 143 363	10 017 778	-	3 687 661 024	-	4 037 822 165	327 145 985	392 724	-	617 677 658	-	945 216 367	3 092 605 798	24 818 202
Security measures	692 742	8 886	-	-	-	701 628	440 122	71 128	-	-	-	511 250	190 378	666 649
Sewerage mains & purification	177 158 214	24 919 585	4 364	359 544 801	-	561 626 964	161 234 540	1 019 964	-	42 070 767	-	204 325 271	357 301 693	28 702 757
Water mains & purification	182 535 206	26 275 634	-	-	-	208 810 840	159 163 632	1 169 702	-	-	-	160 333 334	48 477 506	28 305 153
Water meters	37 195 863	14 011 773	-	81 623 363	-	132 830 999	16 824 329	1 827 971	-	(35 638 196)	-	(16 985 896)	149 816 895	9 093 333
	<b>964 618 800</b>	<b>80 415 912</b>	<b>4 364</b>	<b>6 175 446 764</b>	<b>-</b>	<b>7 220 485 840</b>	<b>861 531 133.00</b>	<b>5 733 829.00</b>	<b>-</b>	<b>1 559 184 098.00</b>	<b>-</b>	<b>2 426 449 060.00</b>	<b>4 794 036 780.00</b>	<b>123 140 453.00</b>
<b>Community assets</b>														
Parks & gardens	4 262 860	884 413	-	27 847 210	-	32 994 483	-	-	-	23 378 115	-	23 378 115	9 616 368	1 350 089
Libraries	11 000 433	-	-	(11 000 433)	-	0	-	-	-	-	-	-	-	395 000
Recreation grounds	67 064 603	2 792 707	-	249 250 878	-	319 108 188	13 774 312	29 375	-	195 673 532	-	209 477 219	109 630 969	5 693 874
Civic buildings	97 223 843	4 094 563	-	86 000 870	-	187 319 276	-	-	-	60 650 692	-	60 650 692	126 668 584	5 051 359
Clinics	4 249 854	-	-	29 816 469	-	34 066 323	-	-	-	18 811 261	-	18 811 261	15 255 062	3 500 000
Cemeteries	8 559 874	1 730 766	-	21 122 832	-	31 413 472	-	-	-	16 999 374	-	16 999 374	14 414 098	2 450 248
Other	3 857 133	-	-	(10 827 778)	-	-6 970 645	-	-	-	(670 119)	-	(670 119)	(6 300 526)	-
Old age homes	-	-	-	-	-	0	-	-	-	-	-	-	-	-
	<b>196 218 600</b>	<b>9 502 449.00</b>	<b>-</b>	<b>392 210 048</b>	<b>-</b>	<b>597 931 097</b>	<b>13 774 312.00</b>	<b>29 375.00</b>	<b>-</b>	<b>314 842 855.00</b>	<b>-</b>	<b>328 646 542.00</b>	<b>269 284 555.00</b>	<b>18 440 570.00</b>
<b>Heritage assets</b>														
Historical buildings	-	-	-	-	-	0	-	-	-	-	-	-	-	-
Paintings & art galleries	13 098	-	(3 498)	-	-	9 600	-	-	-	-	-	-	9 600	-
	<b>13 098</b>	<b>-</b>	<b>(3 498)</b>	<b>-</b>	<b>-</b>	<b>9 600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 600.00</b>	<b>-</b>
<b>Other assets</b>														
Landfill sites	39 632 595	1 624 260	-	-	-	41 256 855	21 726 308	645 632	-	-	-	22 371 940	18 884 915	1 552 709
Office equipment	1 480 786	614 787	993	-	64 145	2 032 421	1 499 841	213 690	(92 733)	-	-	1 620 798	411 623	783 576
Furniture & fittings	6 729 012	180 926	159 650	-	758 358	6 311 230	5 200 735	227 910	(226 533)	-	622 654	4 579 458	1 731 772	712 973
Bins & containers	6 397 879	-	-	-	-	6 397 879	6 397 878	-	-	-	-	6 397 878	1	-
Emergency equipment	12 400	-	3 500	-	6 700	9 200	2 480	(200)	-	-	-	2 280	6 920	-
Motor vehicles	21 344 502	-	-	-	-	21 344 502	20 837 432	158 043	(11 559 164)	-	-	9 436 311	11 908 191	-
Fire engines	1	-	-	-	-	1	-	-	-	-	-	-	1	-
Other transport	-	-	-	-	-	0	-	-	-	-	-	-	-	-
Computer equipment	13 323 300	818 038	457 200	-	2 540 356	12 058 182	8 110 871	1 186 364	(3 108 373)	-	2 373 187	3 815 675	8 242 507	1 426 139
Plant & equipment	12 253 939	948 018	58 000	-	568 245	12 691 712	10 054 912	738 259	(1 870 431)	-	579 416	8 343 324	4 348 388	1 234 037
Small assets	22 373	-	13 950	-	-	36 323	7 033	15 329	-	-	-	22 362	13 961	446 414
Lease assets	1 480 051	-	-	-	-	1 480 051	588 748	279 708	-	-	-	868 456	611 595	-
	<b>102 676 838</b>	<b>4 186 029</b>	<b>693 293</b>	<b>-</b>	<b>3 937 804</b>	<b>103 618 356</b>	<b>74 426 238</b>	<b>3 464 735</b>	<b>(16 857 234)</b>	<b>-</b>	<b>3 575 257</b>	<b>57 458 482</b>	<b>46 159 874</b>	<b>6 155 848</b>
<b>Total</b>	<b>1 305 170 944</b>	<b>101 154 390</b>	<b>694 159</b>	<b>6 888 425 428</b>	<b>3 937 804</b>	<b>8 291 507 117</b>	<b>949 731 683</b>	<b>9 227 939</b>	<b>(16 857 234)</b>	<b>2 096 568 627</b>	<b>3 575 257</b>	<b>3 035 095 758</b>	<b>5 256 411 359</b>	<b>158 236 871</b>

**MOGALE CITY LOCAL MUNICIPALITY**

**APPENDIX C**

**SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2009**

	Cost					Accumulated depreciation					Carrying value	Budget
	Opening balance	Additions	Transfers and corrections	Disposals	Closing balance	Opening balance	Depreciation	Transfers & corrections	Disposals	Closing balance		
Executive & council	4 843 266	357 082	57 298	122 452	5 135 194	1 573 135	389 131	(213 372)	103 083	1 645 811	3 489 383	526 406
Finance & admin	112 756 069	6 398 319	204 505	2 232 265	117 126 628	12 778 930	1 214 828	(3 760 357)	2 115 118	8 118 283	109 008 345	10 940 017
Planning & development	938 184	7 664	31 750	138 801	838 797	-	89 172	-	89 172	-	838 797	9 008 739
Health	6 337 344	-	36 600	151 228	6 222 716	-	127 096	-	127 096	-	6 222 716	3 680 000
Community & social	39 189 412	8 259 768	126 508	291 700	47 283 988	3 129 927	365 059	(435 018)	257 079	2 802 889	44 481 099	12 266 364
Housing	22 047 628	1 656 947	15 000	45 600	23 673 975	320 461	99 990	(11 998)	42 269	366 184	23 307 791	2 683 000
Public safety	11 389 948	-	27 050	179 102	11 237 896	8 219 112	124 208	(675 337)	135 372	7 532 611	3 705 285	14 703
Sport & recreation	76 481 266	3 727 392	53 000	82 701	80 178 957	18 382 992	81 583	(1 668 731)	71 192	16 724 652	63 454 305	6 705 692
Environmental services	367 317	-	8 250	8 700	366 867	276 811	35 852	(120 353)	8 026	184 284	182 583	196 765
Waste management	235 310 257	28 337 412	1 102 169 963	125 942	1 365 691 690	200 144 731	2 052 768	(3 894 604)	115 698	198 187 197	1 167 504 493	37 505 406
Road transport	338 735 138	7 519 927	1 581 374 444	78 822	1 927 550 687	324 841 797	330 445	(1 931 059)	73 799	323 167 384	1 604 383 303	12 857 767
Water	226 995 019	41 092 840	1 054 021 150	404 601	1 321 704 408	180 141 466	3 210 929	(2 255 672)	371 944	180 724 779	1 140 979 629	53 451 290
Electricity	229 598 168	3 797 039	1 054 422 442	34 140	1 287 783 509	199 765 412	1 100 462	(1 838 701)	27 810	198 999 363	1 088 784 146	8 400 722
Other	181 928	-	3 000	41 750	143 178	156 909	6 416	(52 032)	37 599	73 694	69 484	-
<b>TOTAL</b>	<b>1 305 170 944</b>	<b>101 154 390</b>	<b>4 792 550 960</b>	<b>3 937 804</b>	<b>6 194 938 490</b>	<b>949 731 683</b>	<b>9 227 939</b>	<b>(16 857 234)</b>	<b>3 575 257</b>	<b>938 527 131</b>	<b>5 256 411 359</b>	<b>158 236 871</b>

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**MOGALE CITY LOCAL MUNICIPALITY**  
**APPENDIX D**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED**  
**30 JUNE 2009**

<b>2008</b> <b>Actual</b> <b>income</b>	<b>2008</b> <b>Actual</b> <b>expenditure</b>	<b>2008</b> <b>Actual</b> <b>surplus</b> <b>(deficit)</b>		<b>2009</b> <b>Actual</b> <b>income</b>	<b>2009</b> <b>Actual</b> <b>expenditure</b>	<b>2009</b> <b>Actual</b> <b>surplus</b> <b>(deficit)</b>
<b>R</b>	<b>R</b>	<b>R</b>	<b>Description</b>	<b>R</b>	<b>R</b>	<b>R</b>
1 850 333	25 232 070	(23 381 737)	Executive & council	4 257 327	32 269 497	(28 012 170)
259 924 076	205 476 856	54 447 220	Finance & admin	234 047 989	168 855 281	65 192 708
4 750 836	14 415 904	(9 665 068)	Planning & development	2 769 316	17 619 931	(14 850 615)
7 273 482	11 280 816	(4 007 334)	Health	6 113 787	9 593 657	(3 479 870)
9 026 621	23 646 060	(14 619 439)	Community & social	47 100 233	23 570 625	23 529 608
94 650	7 874 580	(7 779 930)	Housing	1 978 173	6 151 364	(4 173 191)
17 396 381	50 553 625	(33 157 244)	Public safety	12 820 788	55 910 227	(43 089 439)
2 475 716	38 757 550	(36 281 834)	Sport & recreation	3 385 975	42 395 535	(39 009 560)
132 563	3 881 612	(3 749 049)	Environmental services	72 298	3 283 012	(3 210 714)
104 519 559	84 179 017	20 340 542	Waste management	158 400 033	100 015 489	58 384 544
23 774 012	26 647 915	(2 873 903)	Road transport	25 535 302	32 064 242	(6 528 940)
165 903 826	120 199 881	45 703 945	Water	184 718 615	135 231 847	49 486 768
253 599 773	189 819 213	63 780 560	Electricity	347 499 553	247 051 064	100 448 489
-	594 727	(594 727)	Other	-	892 650	(892 649)
<b>850 721 828</b>	<b>802 559 826</b>	<b>48 162 002</b>	<b>Sub total</b>	<b>1 028 699 390</b>	<b>874 904 421</b>	<b>153 794 969</b>
-	-	-	Less revenue forgone	7 679 566	-	7 679 566
<b>850 721 828</b>	<b>802 559 826</b>	<b>48 162 002</b>	<b>Total</b>	<b>1 021 019 824</b>	<b>874 904 421</b>	<b>146 115 403</b>

**MOGALE CITY LOCAL MUNICIPALITY**  
**APPENDIX E(1)**  
**ACTUAL VERSUS BUDGET (REVENUE & EXPENDITURE)**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Actual 2009 R	Budget 2009 R	Variance 2009 R	Variance 2009 %	Explanation of significant variances
<b>REVENUE</b>					
Property rates	167 834 292	151 123 877	16 710 415	11%	Implementation of property rates acts
Property rates - penalties and collection charges	11 815 294	10 391 389	1 423 905	14%	Income higher than anticipated.
Service charges	553 493 899	573 225 249	(19 731 350)	-3%	Variance reasonable.
Rental facilities	3 730 479	3 522 961	207 518	6%	Contracts not renewed for indigents.
Interest earned - external investment	15 169 682	3 529 578	11 640 104	330%	Higher interest rates than expected
Interest earned - outstanding debtors	16 920 126	7 180 174	9 739 952	136%	Increase in outstanding debtor balances- budget based on actual amounts received.
Fines	12 657 321	11 490 630	1 166 691	10%	Increase due to implementation of LABAT system (cameras).
Licenses & permits	14 129	10 204	3 925	38%	Income for business licenses did not realized.
Agency services	16 135 131	4 529 431	11 605 700	256%	Income higher than anticipated.
Government grants & subsidies	197 537 830	133 123 816	64 414 014	48%	Change in accounting policy, GRAP - Conditional grants now recognized as income.
Other income	33 391 207	51 098 435	(17 707 228)	-35%	Income did not realize.
Sub total revenue	1 028 699 390	949 225 744	79 473 646		
Less: revenue foregone	7 679 566	-	7 679 566		
<b>Total revenue</b>	<b>1 021 019 824</b>	<b>949 225 744</b>	<b>71 794 080</b>		Rebates for assetment rates - implementation of property rates acts
<b>EXPENDITURE</b>					
Employee related costs	291 783 557	300 436 389	(8 652 832)	-3%	Variance reasonable.
Remuneration councilors	14 245 756	14 245 755	1	0%	Variance reasonable.
Contribution to provisions	37 657 743	64 970 204	(27 312 461)	-42%	Non payment higher than expected.
Collection costs	2 111 214	2 111 214	-	0%	Variance reasonable.
Depreciation and amortisation	9 964 810	12 224 054	(2 259 244)	-18%	Variance reasonable.
Repairs & maintenance	46 677 284	46 855 240	(177 956)	0%	Variance reasonable.
Interest paid	36 619 701	28 830 991	7 788 710	27%	Higher interest rates than expected
Bulk purchases	278 894 865	278 894 865	-	0%	Variance reasonable.
Contracted services	48 548 287	49 096 561	(548 274)	-1%	Variance reasonable.
Grants & subsidies paid	4 588 636	4 594 830	(6 194)	0%	Variance reasonable.
General expenses-	105 188 853	148 334 733	(43 145 880)	-29%	Planned expenditure did not realize due to cash flow constraints.
Internal charges / charge outs	(1 376 285)	(1 369 092)	(7 193)	1%	Salary costs charged out to other departments.
<b>Total expenditure</b>	<b>874 904 421</b>	<b>949 225 744</b>	<b>(74 321 323)</b>		
<b>SURPLUS</b>	<b>146 115 403</b>	<b>-</b>	<b>146 115 403</b>		

**MOGALE CITY LOCAL MUNICIPALITY**  
**APPENDIX E(2)**  
**ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT & EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009**

	Actual 2008 R	Budget 2008 R	Variance 2008 R	Variance 2008 %	Explanation of significant variances
<b>Land and buildings</b>					
Land and buildings	7 050 000	10 500 000	(3 450 000)	-	
Housing schemes	-	-	-		Project in process roll over to the following year.
	<b>7 050 000</b>	<b>10 500 000</b>	<b>(3 450 000)</b>		
<b>Infrastructure</b>					
Roads	10 017 778	24 818 202	(14 800 424)	-60%	Project in process roll over to the following year.
Sewerage mains & purification	24 919 585	28 702 757	(3 783 172)	-13%	Project in process roll over to the following year.
Electricity mains	5 182 256	14 011 282	(8 829 026)	-63%	Project in process roll over to the following year.
Electricity peak control	-	1 000 000			
Water mains & purification	26 275 634	28 305 153	(2 029 519)	-7%	Budget includes all water related capex.
Reservoirs water	-	16 543 077	(16 543 077)	-100%	Additional funds received during financial year
Water meters	14 011 773	9 093 333	4 918 440	54%	Project in process roll over to the following year.
Security measures	8 886	666 649	(657 763)	-99%	Project in process roll over to the following year.
	<b>80 415 912</b>	<b>123 140 453</b>	<b>(41 724 541)</b>		
<b>Community assets</b>					
Parks & gardens	884 413	1 350 089	(465 676)	-34%	Project in process roll over to the following year.
Libraries	-	395 000	(395 000)	-100%	Project in process roll over to the following year.
Recreation grounds	2 792 707	5 693 874	(2 901 167)	-51%	Project in process roll over to the following year.
Civic buildings	4 094 563	5 051 359	(956 796)	100%	Project not started.
Clinics	-	3 500 000	(3 500 000)		
Cemeteries	1 730 766	2 450 248	(719 482)	-29%	Project in process roll over to the following year.
	<b>9 502 449</b>	<b>18 440 570</b>	<b>(8 938 121)</b>		
<b>Heritage assets</b>					
Historical buildings	-	-	-		Project in process roll over to the following year.
	-	-	-		
<b>Other assets</b>					
Landfill sites	1 624 260	1 552 709	71 551	5%	Project in process roll over to the following year.
Office equipment	614 787	783 576	(168 789)	-22%	Planned expenditure did not realize
Furniture & fittings	180 926	712 973	(532 047)	-75%	Planned expenditure did not realize
Computer equipment	818 038	1 434 373	(616 335)	-43%	Planned expenditure did not realize
Plant & equipment	948 018	1 225 803	(277 785)	-23%	Assets donated and not budgeted
Small assets	-	446 414	(446 414)	-100%	Project in process roll over to the following year.
	<b>4 186 029</b>	<b>6 155 848</b>	<b>(1 969 819)</b>		
<b>Total</b>	<b>101 154 390</b>	<b>158 236 871</b>	<b>(56 082 481)</b>		



**MOGALE CITY LOCAL MUNICIPALITY  
APPENDIX F**

**DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003  
FOR THE YEAR ENDED 30 JUNE 2009**

Name of Grants	Name of organ of state or municipal entity	Quarterly receipts					Quarterly expenditure				
		March - 2008	June - 2008	September - 2008	December - 2008	March - 2009	March - 2008	June - 2008	September - 2008	December - 2008	March - 2009
Social Development	Provincial	-	-	-	3 000 000	-	-	-	-	-	-
Restructuring grant	DLG	1 700 000	-	-	-	-	-	80 145	366 938	623 565	574 747
Building for sport and recreation programme	Dept of Sport, Recreation, Arts & Culture	4 197 000	400 000	2 761 000	-	479 000	719 176	1 051 261	487 169	1 327 890	1 457 115
Conditional grants	Dept of Housing and Land	-	-	-	-	-	-	-	-	-	883 929
Skills development levy	Training SETA- Dept of Labour	250 330	85 480	97 203	-	973 344	-	-	119 581	-	58 071
WRDM allocations	West Rand District Municipality	-	520 750	51 376	1 192 750	-	942 933	621 769	379 777	518 033	130 834
MIG	National	19 028 631	16 628 000	9 286 000	10 433 000	6 128 000	10 262 054	18 073 578	19 297 534	13 664 891	7 248 570
Finance management grant	National	-	-	-	500 000	-	125 000	125 000	125 000	125 000	125 000
Municipal improvement systems	National	-	-	400 000	-	-	-	-	-	-	321 230
Equitable share	National	33 999 103	-	33 942 130	25 456 598	47 576 225	16 999 552	16 999 552	26 743 738	26 743 738	26 743 738
Conditional grants	Dept of Water Affairs	-	-	-	-	-	922 171	3 339 225	302 052	537 109	347 687
Conditional grants	Dept of Mineral and Energy	-	-	-	-	-	127 621	590 558	160 287	-	-
Health subsidies	Province	760 389	5 552 091	617 674	1 565 340	1 263 976	1 666 306	1 681 493	1 628 821	1 818 168	1 239 201
Bontle ke Botho Award	Gauteng department of agric, conservation and environment	105 000	-	-	-	100 000	78 135	55 205	-	52 348	6 801
National Water Targets	DLG	-	-	-	-	17 586 000	-	-	-	-	-
<b>Total</b>		<b>60 040 453</b>	<b>23 186 321</b>	<b>47 155 383</b>	<b>42 147 688</b>	<b>74 106 545</b>	<b>31 842 948</b>	<b>42 617 786</b>	<b>49 610 897</b>	<b>45 410 742</b>	<b>39 136 923</b>